

STAFF REPORT

To: Mayor and City Council Date: February 24, 2015
Via: Gary Jackson, City Manager
From: Barbara Whitehorn, CFO Finance and Management Services Director
Prepared by: Tony McDowell, Budget Manager
Subject: Proposed Fee Adjustments for FY 2015-16 Budget

Summary Statement: The consideration of proposed fee adjustments for the Fiscal Year 2015-16.

Review: The major types of revenue available to North Carolina counties and municipalities are local taxes (including property taxes); local fees, charges and assessments; and intergovernmental and miscellaneous revenue. Local governments have increasingly looked for appropriate opportunities to implement local fees and charges because they have the advantage of aligning service provision directly with payment; therefore, the person or entity receiving the benefit of a service pays for the service. In Asheville, these fees make up about 10% of the City's General Fund revenue and 36% of city-wide revenue. These fees generally fall into three major categories: general user fees and charges; regulatory fees, and; public enterprise fees and charges.

Proposed FY 2015-16 Fee Changes:

1. *Minor Changes in the General Fund and Transit Services Fund.* Staff is recommending minor changes to several fees in these two funds. The overall impact to revenue in the two funds is negligible. The General Fund changes include options for a three-year and a four-year step up plan for Aston Park Tennis Center passholder fees.
2. *Continue Planned Annual Water & Stormwater Adjustments.* Based on the financial analyses completed in prior years for these two funds, staff is proposing the following rate adjustments:
 - a. Water Resources Fund:
 - Single Family, Multi-Family, Small Commercial/Manufacturer: 1.5% increase
 - Large Commercial/Manufacturer (>1,000 CCF/month): 3.5% increase
 - Wholesale & Irrigation: 5.0% increase
 - Capital Improvement Fee: 1.5% increase (all meter sizes)
 - b. Stormwater Fund: 5% increase
 - Single Family properties 225-2,000 sq ft: \$2.50/mo. to \$2.63/mo.
 - Single Family properties 2,001-4,000 sq ft: \$4.00/mo. to \$4.20/mo.
 - Single Family properties >4,000 sq ft: \$5.50/mo. to \$5.78/mo.
 - Non-Single Family properties: \$4.00/mo. to \$4.20/mo.

These changes will produce approximately \$465,000 in additional revenue in the Water Resources Fund and \$239,000 in the Stormwater Services Fund.

A full summary and analysis of the proposed fees and charges is attached.

Attachment: Fees & Charges Packet